

AUDITORS REPORT

The Board of Trustees
Sundaram BNP Paribas Mutual Fund
Chennai

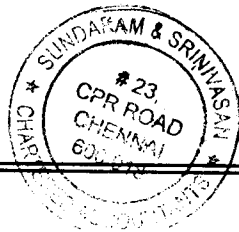
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS CAPITAL PROTECTION ORIENTED FUND SERIES 1 - 5 YEARS** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the audit as indicated above, we report as follows:-

5. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
6. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
7. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes forming part of Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of Balance Sheet, of the state of affairs of the aforesaid Schemes of Sundaram BNP Paribas Mutual Fund, **SUNDARAM BNP PARIBAS CAPITAL PROTECTION ORIENTED FUND SERIES 1 - 5 YEARS** as at March 31, 2010 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS CAPITAL PROTECTION ORIENTED FUND SERIES 1 - 5 YEARS** for the year ended on March 31, 2010.

For and on behalf of **SUNDARAM & SRINIVASAN**
CHARTERED ACCOUNTANTS
(FRN No.: 004207S)



K. Srinivasan
K. SRINIVASAN
PARTNER (M.No : 5809)

Place: Chennai
Date: 25th June, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.


	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	68,467,547	68,467,547
Reserves & Surplus	2	13,450,666	2,124,849
Current Liabilities & Provisions	3	125,256	53,448
		82,043,469	70,645,844
ASSETS			
Investments	4	78,221,359	66,756,482
Other Current Assets	5	2,181,539	1,564,781
Deferred Revenue Expenditure	6	1,640,571	2,324,581
		82,043,469	70,645,844

Notes on Accounts


9


As per our Report of even date


For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)


K Srihivasan
Partner
(M.NO : 5809)


For
Sundaram BNP Paribas Asset Management Company Ltd



K. Ramkumar
Fund Manager

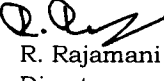

T.S. Sritharan
Chief Financial Officer

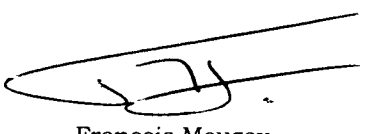

T.P. Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman


S Viji
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

		Amount, Rs			
	Schedule No.	2009 - 2010		2008 - 2009	
REVENUE					
Dividend		140,486		66,486	
Interest	7	4,826,395		4,901,969	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		4,811,374		-	
Net diminution on sale of investments written back		2,200,400		-	
TOTAL (A)		11,978,655		4,968,455	
EXPENSES			11,978,655		4,968,455
Net diminution in value of investment	8	251,400		2,200,400	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		3,753,730	
Management fee		576,576		514,066	
Trusteeship fee		7,888		7,121	
Commission to Agents		-		37,690	
Publicity expenses		24,389		-	
Audit fee		11,408		11,379	
Other Operating expenses including Marketing expenses (Current Year Rs.17,412/- and Previous Year Rs.Nil)		81,762		64,287	
Custodian charges		16,928		9,211	
Registrar expenses		52,269		48,338	
Deferred revenue expenses written off SEBI Fees		684,010 635		684,010	
TOTAL (B)		1,707,265		7,330,232	
SURPLUS / (DEFICIT) (A-B)			10,271,390		(2,361,777)
Add/(Less) : Balance in Equalisation Account					
			10,271,390		(2,361,777)
Less: Income Distributed Distribution Tax					
Surplus / (Deficit) transferred to Balance Sheet			10,271,390		(2,361,777)

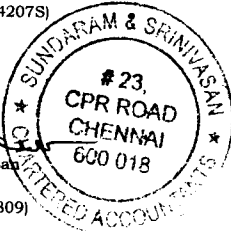
Notes on Accounts

9

As per our Report of even date

For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram BNP Paribas Asset Management Company Ltd

K. Ramkumar
Fund Manager

T.S.Sritharan
Chief Financial Officer

T. Ramu
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd

K V Ramanathan
Chairman

S Viji
Director

R. Rajamani
Director

Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1

Unit Capital

	31/03/2010		31/03/2009	
	Units	Rs	Units	Rs
	Initial capital	6,846,754.73	68,467,547	6,846,754.73
Unit Capital				
Opening Capital	6,846,754.73	68,467,547	6,846,754.73	68,467,547
Add: Units sold during the year	-	-	-	-
Less : Units repurchased during the year	6,846,754.73	68,467,547	6,846,754.73	68,467,547
Units at the end of the Year	6,846,754.73	68,467,547	6,846,754.73	68,467,547
		68,467,547		68,467,547

SCHEDULE : 2

Reserves & Surplus

	31/03/2010		31/03/2009	
	Rs.		Rs.	
	General Reserve			
Opening Balance	1,311,269		3,673,046	
Add /(Less): Transfer from Revenue Account	10,271,390		(2,361,777)	
		11,582,659		1,311,269
Unrealised appreciation reserve				
Opening Balance	813,580		1,694,580	
Add/(Less) Net unrealized appreciation for the year	1,054,427		(881,000)	
Unrealised Appreciation Reserve (Schedule 8)		1,868,007		813,580
		13,450,666		2,124,849

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	120,259	47,899
Others	4,997	5,549
	125,256	53,448

SCHEDULE : 4

Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Equity Shares	15,126,146	7,558,104
Non-Convertible Debentures - Listed / awaiting listing on stock exchange	10,064,146	-
Government Securities	49,333,600	50,398,580
Investment in Reverse Repo / CBLO	3,697,467	8,799,798
	78,221,359	66,756,482

SCHEDULE : 5

Other Current Assets

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	396,921	405,945
Outstanding and accrued Income	1,784,618	1,158,836
	2,181,539	1,564,781

SCHEDULE: 6

Deferred Revenue Expenditure

	31/03/2010	31/03/2009
	Rs.	Rs.
Opening Balance	2,324,581	3,008,591
Less: Amount amortised during the period	684,010	684,010
	1,640,571	2,324,581

Interest

	31/03/2010	31/03/2009
	Rs.	Rs.
Interest from banks and others	4,752,110	4,901,969
Interest on Debentures and Bonds	57,329	-
Discounting Charges	16,956	-
	4,826,395	4,901,969

SCHEDULE :8

Net unrealised appreciation/ (diminution) in value of Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	1,838,085	-
Non-Convertible Debentures	29,922	
Central Government Securities	-	813,580
Appreciation in value of investments (Schedule 2)	1,868,007	813,580
Diminution in value of investments		
Equity Shares	-	2,200,400
Central Government Securities	251,400	-
	251,400	2,200,400
Net -Unrealised appreciation / (diminution) in value of Investments	1,616,607	(1,386,820)

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS CAPITAL PROTECTION ORIENTED FUND SERIES 1 - 5 YRS

Schedules forming part of the Balance Sheet as at 31-Mar-2010
and the Revenue Account for the Year ended 31-Mar-2010

SCHEDULE 9

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1. INVESTMENTS

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies. Investments are marked to market. In valuing the Scheme's investments:

a) Government Securities

· Government Securities are valued at the prices obtained from CRISIL in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

· Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

b) Other Securities

· Traded Securities are valued at the last quoted closing price on the stock exchange. Non-traded / thinly traded securities are valued in good faith on the basis of guidelines issued by SEBI in this regard.

In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealised appreciation is directly transferred to unrealised appreciation reserve and the net diminution is debited to revenue account.

1.2. INCOME RECOGNITION

- (i) Dividend is accounted on accrual basis and recognized on ex-dividend dates.
- (ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (iii) Income on investments is accounted on accrual basis.
- (iv) Other income is accounted on cash basis.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

1.4. INITIAL ISSUE EXPENSES

- (i) The initial issue expenses are amortized over a period of five years from the date of allotment.
- (ii) The unamortized portion of the deferred revenue expenditure is included in the net asset value.

1.5. LOAD

In terms of SEBI circular dated 30th June 2009, out of the exit load charged to the investor, a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and for marketing and selling expenses of the scheme. Any balance in excess of 1% is credited to the scheme immediately and unutilised portion in the load account shall be credited to the scheme whenever felt appropriate by the AMC.

1.6. EQUALISATION ACCOUNT

When the units are sold / re-purchased, the difference between the sale price / re-purchase price and the face value of the units is credited / debited to equalisation account. The net balance in this account is transferred to revenue account for the Year

2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Average daily net asset value (excluding deferred revenue expenditure unamortised)	788.61	712.08
Management fee @ 0.73% of average daily net asset value.(Previous year 0.72%)	5.77	5.14

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM BNP PARIBAS MUTUAL FUND.

As Per Annexure - I

4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE YEAR

The aggregate value of investments purchased and sold (including matured) during the Year as a percentage of average daily net asset value (excluding unamortised initial issue expenses) is as under :

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
PURCHASE VALUE(AMOUNT)	500.68	143.49
%	63.49%	20.15%
SALES VALUE (AMOUNT)	365.58	154.40
%	46.36%	21.68%

5. AGGREGATE FAIR VALUE OF NON-TRADED / THINLY TRADED INVESTMENTS-

Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year :

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year (excluding unamortised initial issue expenses)	100.64	NIL
% to the asset under management	12.29%	NIL

6. INCOME / EXPENDITURE

The total income and expenditure (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, during the Year are given below.

DESCRIPTION	01.04.09 to 31.03.10	01.04.08 to 31.03.09
INCOME	15.19%	6.98%
EXPENDITURE	0.98%	0.97%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2010 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	NIL

9. TOTAL VALUE OF INVESTMENTS (EXCLUDING MONEY MARKET INVESTMENT) FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW:

(% of total investment within the classification)

Refer Annexure - II

9. a. **Accounting Standard 17 on Segment Reporting**

As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

9. b. **Accounting Standard 18 on Related Party Disclosures**

Related party disclosures as required by the Accounting Standard 18 – “ Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given as Annexure – ✓

10. PORTFOLIO DISCLOSURE


Full portfolio of the scheme is given in Annexure - III

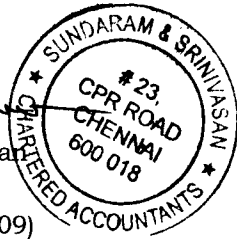
11. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

Signatures to the schedules 1 to 9 are forming part of the Balance Sheet and the Revenue Account.


**For Sundaram & Srinivasan
Chartered Accountants**
(FRN No.: 004207S)



K Srinivasan
Partner
(M.No : 5809)



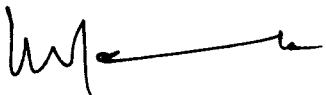
For Sundaram BNP Paribas Asset Management Company Ltd


K Ramkumar
Fund Manager


T S Sritharan
Chief Financial Officer


T P Raman
Managing Director

**For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd**


K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Mouzay
Director

**Place : Chennai
Date : 25th June, 2010**

12 HISTORICAL PER UNIT STATISTICS

		2009-2010 Rs.		2008-09 Rs.		2007-2008 Rs.	
(A)	Gross income						
	(i) income other than profit on sale of investment	0.7254		0.7257		0.43	
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000		0.0000		0.00	
	(iii) income from profit on sale of investment to third parties	0.7027		-0.5482		0.23	
	(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.00	
(B)	Aggregate of expenses, write off, amortisation and charges	0.2126		0.2010		0.13	
(C)	Net income	1.2155		-0.0236		0.53	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.2361		0.4402		0.25	
		Growth Option		Growth Option		Growth Option	
(E)	Net Assets Value	11.9645		10.3202		10.784	
(F)	Highest repurchase price	0.0000		0.0000		0.0000	
	Lowest repurchase price	0.0000		0.0000		0.0000	
	Highest ongoing sale price *	0.0000		0.0000		10.0000	
	Lowest ongoing sale price *	0.0000		0.0000		10.0000	
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.980%		0.97%		1.01%	
(H)	Ratio of gross income to average daily net assets by percentage	15.19%		6.98%		10.11%	

* includes entry load as applicable

13 Computation of Distributable Income

	31.3.10	31.03.09
Net Income as per revenue account	10,271,390	(2,361,777)
Add : Balance of Undistributed income as at 1st April brought forward	1,311,269	3,673,046
	11,582,659	1,311,269
Less : Income Distributed during the year	-	-
Distributable Income	11,582,659	1,311,269

14. Previous year figures have been regrouped wherever necessary to conform with the current year's classification

Annexure - II

Sundaram BNP Paribas Capital Protection 5 Year

	% of total investments within the classification	
	2009-2010	2008-2009
A) EQUITY INSTRUMENTS		
ENERGY	10.44%	23.61%
FINANCIAL SERVICES	15.74%	30.70%
INDUSTRIAL MANUFACTURING	23.28%	0.00%
MEDIA & ENTERTAINMENT	16.07%	5.73%
METALS	23.52%	7.01%
SERVICES	7.12%	0.00%
CONSUMER GOODS	0.00%	38.68%
B) Debt Instruments		
a) Listed / awaiting listing on Stock Exchange		
FINANCE	100.00%	20.39%
Energy	0.00%	58.22%
b) Privately Placed		
FINANCE	100.00%	21.39%

Annexure - III

Sundaram BNP Paribas Capital Protection 5 Year

Portfolio Statement for the year ended 31st March, 2010

SI No	Investment	Industry/Ratings	Quantity	Mkt Value Rs. in Lakhs	% of NAV
A)	Equity & Equity Linked Instruments				
a)	Listed / awaiting listing on Stock Exchanges				
1	Sterlite Industries - Equity	METALS	2526	21.47	2.74%
2	Welspun Gujarat Stahl Rohren Ltd	METALS	5161	14.10	1.80%
3	Atlas Copco Ltd - Equity	INDUSTRIAL MANUFACTURING	834	8.97	1.15%
4	Noida Toll Bridge Company Ltd	SERVICES	33000	10.77	1.38%
5	Kalpataru Power Transmission Ltd	INDUSTRIAL MANUFACTURING	1800	18.63	2.38%
6	ITC Ltd - Equity	CONSUMER GOODS	2200	5.79	0.74%
7	ICICI Bank	FINANCIAL SERVICES	2500	23.81	3.04%
8	Zee - Equity	MEDIA & ENTERTAINMENT	4075	10.93	1.40%
9	Dish TV India Limited	MEDIA & ENTERTAINMENT	36500	13.38	1.71%
10	Reliance Industries Ltd - Equity.	ENERGY	1470	15.79	2.02%
11	NHPC Ltd	INDUSTRIAL MANUFACTURING	25000	7.61	0.97%
	Sub Total			151.26	19.34%
B)	Debt Instruments				
a)	Listed / Awaiting listing on Stock Exchanges				
	ICICI SECURITIES PRIMARY DEALERS	AAA	1	100.64	12.87%
				100.64	12.87%
	Government Securities				
1	Government Securities - 2012	GSEC	300000	329.50	42.12%
2	Government Securities - 2012	GSEC	160000	163.84	20.95%
				493.34	63.07%
C)	Money Market Instruments				
		NIL			
D)	REPO INVESTMENTS			36.97	4.73%
	Grand Total		345	782.21	100.00%

** Thinly Traded / Non Traded Securities